



District of Columbia

Department of Housing and Community Development

CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT

**FOR FISCAL YEAR 2002
OCTOBER 1, 2001 - SEPTEMBER 30, 2002**



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INTRODUCTION AND EXECUTIVE SUMMARY

The U.S. Department of Housing and Urban Development (HUD) requires each of its federal entitlement grant recipients to file a Consolidated Annual Performance and Evaluation Report (CAPER). The CAPER must be submitted to HUD within 90 days after the close of the grantee's fiscal year and after a 15-day public comment and review period.

The CAPER provides HUD with the information needed for HUD to assess a grantee's ability to carry out its programs. It presents operational information on the grantee's activities to the general public in the local jurisdiction as well as to the Congress.

This CAPER reports on the activities of the D.C. Department of Housing and Community Development (DHCD) for its fiscal year 2002 (HUD Program Year 2001). The CAPER describes DHCD's and the District's use of the four federal entitlement grants covered under the CAPER. These include:

1. Community Development Block Grant Program (CDBG)
2. HOME Investment Partnerships Program (HOME)
3. Emergency Shelter Grants Program (ESG)
4. Housing Opportunities for Persons with AIDS Program (HOPWA)

In addition, this CAPER includes a detailed comparison of DHCD's FY 2002 accomplishments versus the goals the Department set at the start of the fiscal year; information on various DHCD initiatives, such as its fair housing and public education and outreach efforts; and descriptions of other activities that will enable the public to fairly judge DHCD's performance in fulfilling its housing and community development mission.

Summary of Accomplishments

The District received \$41,539,000 from the four entitlement grants in DHCD's FY 2002. The HOPWA funds (\$8,721,000) went directly to, and were administered by, the HIV/AIDS Administration, D.C. Department of Health. With the remaining CDBG, HOME and ESG funding, supplemented by local and other private dollars, DHCD made the following investments in the community:

Table 1: Summary of Accomplishments, FY 2002

• New/Rehab Multifamily Units	1,556	• Jobs Created/Retained	2,810
• New/Rehab Single Family Units	24	• Job Training	446
• Homebuyer Assistance	427	• Business Technical Assistance	916
• Eviction Prevention Grants	339	• Microloans	5
• Homeless Outreach	2,224	• Tenant Purchase Assistance	242
• Shelter Transportation	8,095	• Housing Counseling	13,088
• Shelter Bed Rehabilitation	52		

DHCD undertook other activities in FY 2002 that support its program and project delivery efforts. These included:

- Fair housing outreach and translation of brochures into Spanish, Chinese and Vietnamese.
- Legislative action to prevent source-of-income discrimination.
- Revision of procedures to incorporate the Lead-Safe Housing Rule into Department housing programs.
- Improvements in program delivery, the processes for applying for funding, and the monitoring protocols for sub-grantees.

CAPER Checklist

The following checklist identifies the required elements of the CAPER, as defined in 24 CFR 91.520.

GENERAL REQUIREMENTS	<u>Page</u>
<input type="checkbox"/> Evidence of public notice for CAPER Review	55
<input type="checkbox"/> Assessment of progress toward five-year goals	19-29
<input type="checkbox"/> Assessment of progress toward one-year goals	19-29
<input type="checkbox"/> Impediments to fair housing and actions to overcome them	30
<input type="checkbox"/> Affordable housing actions for extremely low, low/moderate income renters and owners	See Part IV
• Actions taken and accomplishments to meet worst case needs	21
• Actions and accomplishments to serve people with disabilities	31
• Number of Section 215 housing opportunities created	40
<input type="checkbox"/> Continuum of care progress to help homeless people	See Part VI & Appendix C
• Actions to meet supportive housing needs (include HIV/AIDS)	27, 44
• Actions to plan and/or implement continuum of care	81
• Actions to prevent homelessness	71
<input type="checkbox"/> Actions to address emergency shelter needs	See Part VI & Appendix C
• Actions to develop transitional housing	28
<input type="checkbox"/> Actions and accomplishments to:	
• meet underserved needs	30, 31
• foster and maintain affordable housing	30, 31*
• eliminate barriers to affordable housing	30, 31
• fill gaps in local institutional structure	22, 33
• facilitate PHA participation/role	33
• reduce lead-based paint hazards.....	31
• reduce poverty.....	37
• ensure compliance with program and planning requirements (include monitoring of CHDOs/subrecipient compliance)	32
<input type="checkbox"/> Leveraging of public and private funds	18
<input type="checkbox"/> Summary of citizen comments	56
<input type="checkbox"/> Analysis of successes and failures and actions taken to improve programs	19-29

* As well as all production efforts and programs described

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

<input type="checkbox"/> Relationship of expenditures to priority needs.....	37
<input type="checkbox"/> Low/moderate income benefit.....	38
<input type="checkbox"/> Amendments and other changes to programs.....	39
<input type="checkbox"/> Completion of planned actions to:	
• pursue all resources identified in plan.....	37
• certify consistency for local applicants for HUD funds	38
• support Consolidated Plan goals	38
<input type="checkbox"/> National objective failures, if any.....	None reported
<input type="checkbox"/> Actions taken to avoid displacement.....	38
<input type="checkbox"/> Compliance with URA.....	38
<input type="checkbox"/> If jobs were filled with over income people	
• What was done to give low/moderate income first priority?	No info. available
• List job titles created/retained and those made available to low/mods.....	No info. available
• Describe training for low/moderate income persons	67
<input type="checkbox"/> For limited clientele activities, if any:	
• The nature of the group that allows assumption of more than 51% low/mod	None reported
<input type="checkbox"/> Rehabilitation accomplishments and costs	
• units completed for each type of program	37
• CDBG expenditures for rehabilitation.....	37
• other funds invested.....	37
• delivery costs	37
<input type="checkbox"/> Neighborhood Revitalization Strategy area, if any:	
• progress against established benchmarks.....	33
<input type="checkbox"/> CDBG Financial Summary Attachments:	
• Reconciliation of cash balances	117
• Program income, adjustments and receivables	117

HOME

<input type="checkbox"/> Distribution of HOME funds among identified needs.....	39
<input type="checkbox"/> HOME Match Report (HUD 40107A)	113
<input type="checkbox"/> Contracting opportunities for M/WBES	42
<input type="checkbox"/> Summary of results of onsite inspections of HOME rental units	40
<input type="checkbox"/> Assessment of effectiveness of affirmative marketing plans	40
<input type="checkbox"/> Information about the use of program income	40

EMERGENCY SHELTER GRANTS (ESG)

<input type="checkbox"/> Description of how activities relate to ConPlan and continuum of care ..	76
<input type="checkbox"/> Leveraging resources	74
<input type="checkbox"/> Self-evaluation	75

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA)

<input type="checkbox"/> Description of activities and successes and failures	44
<input type="checkbox"/> Improvements needed to overcome failures	45
<input type="checkbox"/> Description of local compliance and monitoring procedures	46
<input type="checkbox"/> Describe leveraging and coordination with other local groups.....	43

IDIS REPORTS

A complete CAPER requires that all data for the program year be entered into IDIS. It is Department policy that IDIS data be updated at least quarterly. Grantees are not required to submit IDIS reports to HUD but must make information about accomplishments, progress and finances available to the public as part of the citizen participation process.

PART I MISSION AND PROGRAMS OF THE D.C. DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

The mission of the Department of Housing and Community Development is to be a catalyst in neighborhood revitalization by strategically leveraging public funds with private and non-profit partners for low-to-moderate income D.C. residents in order to promote the preservation, rehabilitation and development of housing, increase home ownership, and support community and commercial initiatives.¹ To accomplish this mission, the Department in FY 2001 established five priority program areas in which to undertake community planning and development initiatives. These program areas, in effect for FY 2002, were:

1. Homebuyer Assistance and Housing Recycling and Preservation
2. Affordable Housing Production
3. Community Organization Support
4. Homeless Support and Prevention
5. Economic and Commercial Development

In 2002, DHCD funded and operated 20 programs within these program areas. These programs are described below.²

A Homebuyer Assistance and Housing Recycling and Preservation Programs

Home Purchase Assistance Program: The Home Purchase Assistance Program (HPAP) provides financial assistance in the form of interest-free and low-interest loans to qualified District residents to enable them to purchase homes, condominiums, or cooperative apartments. Qualified households who are accepted into the three-tiered program are eligible for loans to meet down payment and closing cost requirements. The amount of the loan is based on a combination of factors including income, household size, and the amount of assets that each applicant has to commit toward the purchase price. Loans provided are subordinate to private first trust mortgages. Also included are the D.C. Employer-Assisted Housing and the Metropolitan Police Housing Assistance programs, which provide specific benefits to District of Columbia government employees and Metropolitan Police Department employees, respectively.

What is "Affordable Housing"?

DHCD uses HUD's definition of affordability, meaning that an assisted household spends no more than 30% of its monthly income on housing costs (e.g., rent and utilities). Developers target their projects to a certain income category (e.g., 80% of area median income, 60% of area median income, etc.) and establish rents or sales prices that can be supported by households at those income levels. For example, a family of four earning 50% of the area median income - i.e., \$43,500 - could afford rent and utilities of \$1,131 for a three-bedroom apartment. A family earning \$32,000 per year could afford rent and utilities of approximately \$800 per month.

¹ As rewritten in August 2002.

² There also is a General Administration and Overhead use of Community Development Block Grant (CDBG) funds. These funds may be used to pay reasonable program administration costs and carrying

Home Ownership Developers Incentive Fund: The Home Ownership Developers Incentive Fund (HoDIF) provides grants to community development corporations and other nonprofit development entities to help lower the sales price of units they develop, to make them affordable to low- and moderate-income purchasers.

Homestead Housing Preservation Program: The Homestead Housing Preservation Program (Homestead) takes possession of tax delinquent real property (and, occasionally, DHCD foreclosures) and sells them to first-time home buyers for as little as \$250 per unit. In exchange, the home buyer commits to enroll in and complete a home ownership training course, rehabilitate the property, reside in the property for a minimum of five years, and return it to the real property tax rolls. Low- and moderate-income participants receive a \$10,000 deferred mortgage to assist them with gap financing. The Homestead Program also sells apartment buildings and vacant lots to developers who ultimately sell the units to first-time homebuyers - as well as commercial property to neighborhood-based businesses and non-profits that are providing services.

Single Family Residential Rehabilitation Program: The Single Family Residential Rehabilitation Program is a source of low-cost financing for the rehabilitation of one to four unit owner-occupied housing located within the District of Columbia. The program provides low-interest amortized loans for up to 20 years and no interest deferred loans, depending on the financial circumstances of the borrower and the amount of rehabilitation required to correct code deficiencies. Additional initiatives within this program include: 1) the Weatherization/Roofing Assistance Program; 2) the Senior Citizen Home Repair and Improvement Program (SCHRIP); and 3) the Handicapped Accessibility Improvement Program.

First Right to Purchase/Tenants' Purchase Technical Assistance Programs: The First Right to Purchase/Tenants' Purchase Technical Assistance Programs offer financial and technical assistance to low- and moderate-income occupants and tenant associations of rental housing in the District. The tenants may use these programs to assist them in purchasing their buildings when they are threatened with displacement because of a proposed sale of their buildings to a third party. The programs provide loans, grants and technical assistance to these groups to aid in the purchase of multi-family buildings.

B. Affordable Housing Production Programs

Construction Assistance Program: The Construction Assistance Program provides financial assistance to support the construction of residential, commercial, and community development projects.

Multi-Family Housing Rehabilitation Program: The Multi-Family Housing Rehabilitation Program is a source of low-cost interim construction financing and permanent financing for the rehabilitation of residential property containing five or more units. In addition, the Apartment Improvement Program (AIP) provides technical assistance to rental housing developers to prepare comprehensive improvement plans involving owners, renters, and financial institutions in a cooperative effort to upgrade rental housing. The Distressed

charges related to the planning and execution of community development activities assisted in whole or in part with funds provided under the CDBG or HOME programs.

Property Improvement and Tax Abatement and Incentives Programs provide tax relief and other financial incentives (e.g., deferral or forgiveness of delinquent property tax liens and water/sewer fees) to occupied rental properties where owners are willing to make property repairs and retain lower income occupancy. (See §§ 804 and 805 of the Rental Housing Act of 1985.)

Affordable Housing Production Assistance Program: The Affordable Housing Production Assistance Program includes four activities to aid in the production of affordable housing.

- **Community Land Acquisition Program:** Provides assistance to nonprofit land trusts to acquire land and buildings for development of low- and moderate-income housing. Title to the property is retained by the nonprofit trust with provisions for permanent dedication for use as low- and moderate-income housing.
- **Property Purchase for Rehabilitation and Housing Development Program:** Provides for DHCD purchase of private property (on a voluntary basis and/or through the foreclosure process) for resale for rehabilitation and housing development. Properties acquired may be deteriorated or vacant, and may be acquired in conjunction with the District's Homesteading Program.
- **Low-Income Housing Tax Credit (LIHTC):** Provides federal income tax credits to developers of new or rehabilitated rental housing for the production of housing affordable to low- and moderate-income persons.
- **Real Estate Appraisal Services:** This activity funds appraisals, title reports, and other services related to the acquisition and disposition of real property and of other programs as needed.

Housing Finance for the Elderly, Dependent and Disabled: The Housing Finance for the Elderly, Dependent and Disabled (HoFEDD) program provides financing to private for-profit and nonprofit applicants. This funding is used to develop housing, including community-based residential facilities, for households with special housing needs, including the elderly, disabled, homeless and individuals undergoing treatment for substance abuse. DHCD provides the acquisition and rehabilitation assistance in the form of deferred or amortized loans to qualified organizations for eligible activities.

Land Acquisition for Housing Development Opportunities: The Land Acquisition for Housing Development Opportunities (LAHDO) program acquires property (using primarily District capital budget funds) and provides for long-term lease-back or low cost terms to private developers that produce low- and moderate-income rental housing.

Community Housing Development Organizations: Under the federal regulations governing the District's participation in the HOME program, 15 percent of the HOME entitlement grant is set aside to fund Community Housing Development Organizations, or CHDO activities. CHDOs must be certified by DHCD to participate in the CHDO program. Investments in CHDOs under this program are for the purpose of expanding the capacities of these nonprofit organizations to develop and manage decent and affordable housing in the District.

C. Community Organization Support

Neighborhood Development Assistance Program: Through the Neighborhood Development Assistance Program (NDAP), DHCD provides project and program delivery support to nonprofit community development corporations (CDCs) and community-based organizations (CBOs) for CDBG-eligible activities.

Community-Based Organizations Neighborhood Services Program: The Community-Based Services Program provides program delivery support to nonprofit community-based organizations (CBOs) that provide comprehensive housing counseling services to low and moderate-income individuals, including assistance in applying for a variety of Department of Housing and Community Development programs.

Neighborhood Initiatives Support Program (NISP) Equity Grant Fund: The NISP fund was created by the City Council to make grant funds available to the Neighborhood Development Assistance Program (NDAP). The program is designed to give participating CDCs the ability to take a financial stake in strategic business and economic development projects in their service communities. Funds may be used for acquisition, equity, capital, and pre-development costs.

Special Grants Program: The Special Grants Program provides flexible funding for non-profit/community organizations for non-brick and mortar projects.

Community Activities and Services Support Program: The goals and objectives under this program support nonprofit community-based organizations that provide certain activities and services in the community, such as:

- Relocation Payments and Assistance Program: Provides relocation services to all residents and businesses that are forced to relocate as a result of public actions such as community development, public works and highway programs, code enforcement, condominium and cooperative conversions, and special projects.
- Fair Housing Program: Funds the study of fair housing and promotes fair housing activities.
- Special Disability Services: Provides special services for disabled persons, including housing locator and referral assistance.
- Public Service Activities Small Grants Program: Provides small grants (\$50,000) to support public service activities in the community.

D. Homeless Support and Prevention

The Emergency Shelter Grant (ESG) funds are administered by the Community Partnership for the Prevention of Homelessness, a nonprofit entity that is under contract with the District to provide day-to-day management of the District's homeless services. The funds support services and facilities within the Continuum of Care for homeless persons. These services and facilities are defined in the *"Strategic Plan for Homeless Continuum of Care Services in the*

District of Columbia: 2000-2004".³ This strategic plan for the homeless was developed jointly by the D. C. Department of Human Services and the Community Partnership. Services and facilities funded by ESG include prevention, street outreach and drop-in centers, renovation work at shelter sites and the provision of hypothermia hotline services during the hypothermia season of 2001-2002.

- *Prevention/Emergency Assistance Grants for Families and Adults:* In partnership with the D.C. Emergency Assistance Fund, a project partly funded by the city and managed by the Foundation for the National Capital region, the Community Partnership makes emergency homeless prevention grants available for about 190 families and 90 single adults in a typical year. The funds are used to prevent the imminent eviction of families and single adults from their residences by paying for up to three months rent and/or utilities combined with case management support offered by a citywide network of community-based agencies.
- *Special Homeless Outreach and Hypothermia Hotline:* Grants are made to pay the cost of outreach staff that work with established outreach agencies and drop-in centers. These grants allow additional homeless persons on the street to benefit from outreach services. The United Planning Organization operates the year-round Shelter Hotline at 1-800-535-7252. Vans equipped with two-way radios are dispatched throughout the city on regular routes and in response to calls to the Shelter Hotline. Homeless persons desiring shelter are transported to available beds. Those persons resistant to shelter are provided food, hot drinks, and blankets and they are monitored throughout the night.
- *Rehabilitation and Renovation:* The Community Partnership uses rehabilitation funds to expand and improve emergency shelter capacity. In 2002, work concentrated on rehabilitating a facility at 317 H Street N.W. that will become a 12-bed transitional program for women to be operated by Calvary Women's Shelter. Funds also were used for essential repairs at other adult and family shelters. The Spring Road family shelter had several units renovated in 2002. ESG funds will be used to support high priority shelter needs as identified by the Mayor in the District's 10-year plan to end homelessness (see Appendix C).

E. Economic and Commercial Development

Economic Development Program (Section 108 Loan Repayments): This program provides financial and technical assistance to new and existing businesses in economically depressed areas on a city-wide basis.

Urban Renewal and Community Development Property Management: DHCD provides property management services, rent collection, and limited maintenance for properties owned by the Department. In addition, DHCD provides oversight of the National Capitol Revitalization Corporation (NCRC) in its management of Redevelopment Land Agency (RLA) properties.

³ The *Strategic Plan for Homeless Continuum of Care Services in the District of Columbia: 2000-2004* is posted on the web site of The Community Partnership at <http://www.community-partnership.org/documents/strategicplan.PDF>

Community Development Planning Contracts and Program Development Studies: This activity provides funding for technical consultant services such as land use planning, project feasibility studies, and environmental studies.